

SENATE BILL 31

Q7
SB 227/08 – B&T

1lr1039

By: **Senator Kasemeyer**
Introduced and read first time: January 17, 2011
Assigned to: Budget and Taxation

A BILL ENTITLED

1 AN ACT concerning

2 **Interest Rate on Tax Deficiencies and Refunds**

3 FOR the purpose of altering the calculation of the annual interest rate that the
4 Comptroller sets for tax deficiencies and refunds; and generally relating to the
5 annual interest rate on tax deficiencies and refunds.

6 BY repealing and reenacting, with amendments,
7 Article – Tax – General
8 Section 13–604
9 Annotated Code of Maryland
10 (2010 Replacement Volume)

11 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF
12 MARYLAND, That the Laws of Maryland read as follows:

13 **Article – Tax – General**

14 13–604.

15 (a) The rate of interest for each month or fraction of a month is the percent
16 equal to one–twelfth of the annual interest rate that the Comptroller sets for the
17 calendar year under subsection (b) of this section.

18 (b) On or before October 1 of each year, the Comptroller shall set the annual
19 interest rate for the next calendar year on refunds and moneys owed to the State as
20 the percent, rounded to the nearest whole number, that is at the percent that equals
21 [the greater of:

22 (1) 13%; or

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.
[Brackets] indicate matter deleted from existing law.



1 (2) 3 percentage points above the average prime rate of interest
2 quoted by commercial banks to large businesses during the State's previous fiscal
3 year, based on determination by the Board of Governors of the Federal Reserve Bank]
4 **2 PERCENTAGE POINTS ABOVE THE AVERAGE INVESTMENT YIELD ON STATE**
5 **MONEY FOR THE STATE'S PREVIOUS FISCAL YEAR, AS PUBLISHED IN THE**
6 **TREASURER'S ANNUAL REPORT.**

7 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
8 July 1, 2011.